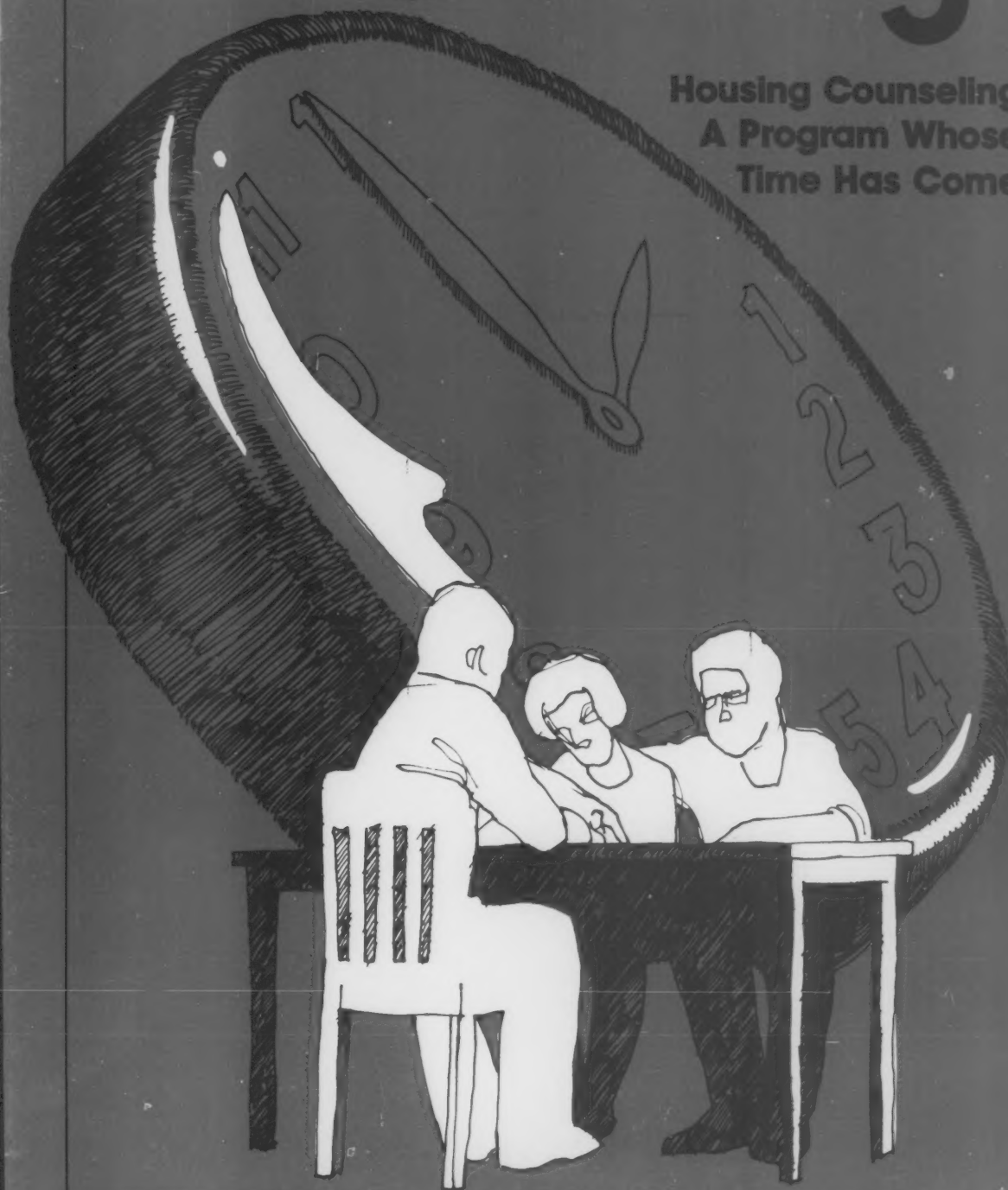
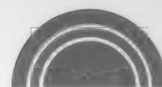


November 1977 / \$1.40

hudChallenge

**Housing Counseling...
A Program Whose
Time Has Come**





Too Much Red Tape

A study conducted by researchers at Rutgers University shows that unnecessary government regulations add about 20 percent to the cost of a new three-bedroom, \$50,000 house built on a half-acre lot. Entitled "Government Regulations and Housing Costs," the study notes that the biggest unnecessary expenses stem from minimum lot and building size requirements, bans on outdoor burning, and excessive settlement fees. Results of the study are based, in part, on a survey of 2,000 builders.

Everybody Wants to Get Into the Act

A major aircraft company, McDonnell Douglas, has developed an electronic system to gather information for pilots and to project it, through specially arranged lenses, in the sky ahead. Called a Head-Up Display—presumably because it permits pilots to keep their eyes on what's ahead—the system's designers have given it a nickname. You guessed it—HUD.

Bachelors Living Alone Increasing

A Census Bureau report reveals that the number of bachelors living alone is growing faster than the number of women living alone, but there still are far more women maintaining their own households. The number of men living alone has risen 60 percent in the last 7 years, while the number of women living alone is up 35 percent.

Mood is Right for Buying a House

An article in the *NAHB Journal-Scope* (August 29, 1977) notes that consumer plans to buy jumped sharply last July. In a survey conducted by the Conference Board, 5.2 percent of the families polled plan to buy a new home in the next 6 months. This represents the highest reading in the 10-year history of the survey. A Board spokesman said: "New strength in the survey's home buying series confirms the turnaround in U.S. housing starts, which have been running strongly since December. A building boom has been anticipated for some time—the outgrowth of the post-World War II baby boom." The Conference Board is a nonprofit research organization supported by a large segment of American industry.

HUD Expands Equal Opportunity Role

As a result of a contract compliance consolidation program, HUD has expanded its role in insuring that construction contractors comply with Federal equal employment opportunity requirements. HUD has taken over the responsibilities, budgets, and personnel formerly allotted to the Economic Development Administration, the Department of Health, Education, and Welfare, and the Veterans Administration under this Program. This consolidation move is intended to strengthen management of the government's contract compliance functions by reducing from 15 to 5 the number of Government agencies now charged with enforcement responsibilities under Executive Order 11246. The Order prohibits contractors and subcontractors on Federal and federally-assisted projects from engaging in employment discrimination because of race, color, sex, religion, or national origin.

Shopping Centers Increasing Steadily

There are more than 17,500 shopping centers in the United States today, and projections call for 21,300 by 1979, according to the International Council of Shopping Centers (ICSC). More than one-third are neighborhood centers and usually include a supermarket, drug store, and service stores. Slightly over one-fourth are medium-size centers, with up to 40 stores. The remainder are regional centers with up to 100 or more stores, anchored by one or more department stores. Shopping centers have increased in number almost 19-fold in the 20 years since the ICSC was founded.

Mortgage Lending by Credit Unions Hailed

John C. Williamson, Executive Vice President of the Mortgage Insurance Companies of America (MIC), believes that a new law authorizing the 13,000 Federal credit unions to make 30-year mortgage loans will benefit millions of home seekers by creating a more competitive market for residential financing. He notes that private mortgage insurance companies can assist credit unions by supplying the mechanism for providing low downpayment financing. Williamson explained that a loan originated by a credit union must be secured by the principal residence of the borrower-credit union member, and the sales price may not exceed 150 percent of the median price of residential property in the area. MICs insure the top 20 to 25 percent of a conventional mortgage, thereby enabling lenders to make home loans with downpayments as low as 5 percent.

INCORRECT ISSUE NUMBER
SHOULD READ ISSUE 11



hudChallenge

U.S. Department of Housing and Urban Development Patricia Roberts Harris, Secretary

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HUD Challenge, the official Departmental magazine, is published monthly by the U.S. Department of Housing and Urban Development. Use of funds for printing was approved by the Office of Management and Budget, August 28, 1973. *HUD Challenge* serves as a forum for the exchange of ideas and innovations between HUD staff throughout the country, HUD-related agencies, institutions, businesses, and the concerned public. As a tool of management, the magazine provides a medium for discussing official HUD policies, programs, projects, and new directions. *HUD Challenge* seeks to stimulate nationwide thought and action toward solving the Nation's housing and urban problems. Material published may be reprinted provided credit is given to *HUD Challenge*. Subscription rates are \$15.90 yearly domestic, and \$19.90 for foreign addresses. Paid subscription inquiries should be directed to: Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Manuscripts concerning housing and urban development are welcome. Send all editorial matter to: Editor, *HUD Challenge*, Room 5186, Department of Housing and Urban Development, Washington, D.C. 20410. Telephone (202) 755-5710.

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A Salute to HUD's Housing Counseling Program

by Patricia Roberts Harris
*Secretary,
U.S. Department of Housing
and Urban Development*

I wish to take this opportunity to congratulate the almost 500 HUD-approved counseling agencies that have made HUD's Housing Counseling Program the successful venture that it is today. For 9 years, since the program's inception in 1968, these agencies have provided counseling for home buyers, homeowners, and renters of low and moderate income.

The amazing part of the program is that, except for a few HUD-funded demonstrations, these agencies have provided counseling services without cost to the Department or to its counseling clientele. Recent studies have shown that counseling is cost effective and the Congress has appropriated funds for grants to counseling agencies and for the training of counseling agency personnel. I should point out that we have just granted \$1.7 million for these two endeavors.

I would be remiss if I did not thank Headquarters, Regional and Field Office personnel who over the years have given of themselves to establish and maintain this fine program. I salute you and your endeavors. □



Housing Counseling and Neighborhoods

by Geno C. Baroni
*Assistant Secretary for Neighborhoods,
Voluntary Associations
and Consumer Protection*

As we plan and direct programs to revitalize and stabilize neighborhoods, I am mindful of the significant roles played by HUD-approved counseling agencies across the country. We cannot achieve our goals for preserving neighborhoods without providing a range of housing options and information and services pertaining to housing. I am pleased that this issue of *Challenge Magazine* highlights the Department's housing counseling program.

I am proud to have pioneered one of the Nation's first HUD-approved counseling agencies, Housing Counseling Services of the Urban Rehabilitation Corporation of Washington, D.C. It remains on our roster of agencies and currently provides comprehensive housing counseling services for home buyers, homeowners and renters.

As we approach the winter months ahead, we anticipate that our agencies will become more heavily involved in rent delinquency and mortgage default counseling as renters and home buyers may be expending more dollars for increased utilities costs. Many counseling agencies are providing energy conservation counseling as a part of their overall comprehensive programs.

We are proud of the involvement of neighborhood organizations in our counseling program and encourage their continuing participation. □

Counseling: Symbol of a Commitment to Housing Opportunities

by Louise R. White
*Director, Housing Consumer
Programs Division*



Since 1968, HUD has provided housing counseling as a demonstration of its commitment to housing opportunities for low- and middle-income families. This commitment has manifested itself through the recognition of some 460 counseling agencies around the country, the subsequent, but limited, funding of these agencies, and development of guidelines and directives to field staff in order that they may be responsive at the community level. Currently, we are working to standardize and improve the quality of services offered in these agencies.

It is no secret that the dedication and considerable efforts of counseling agencies have played a significant part in keeping housing counseling activities always on the agenda at the community level.

The importance of providing counseling to defaulted mortgagors and delinquent renters has become evident to thousands of families and individuals who have been enabled to retain their homes or rented units through the efforts of dedicated housing counselors. Through the pages of this issue of *Challenge*, you have the opportunity to share many successes of our programs. These articles have been submitted by our counseling agencies and are a direct indication of the depth of their involvement.

It is my sincere hope that this issue of *Challenge* will provide new and important information to those who may not be familiar with the effort and results of programs and that all readers will in some small way know the positive effects these programs have produced for so many citizens throughout our Nation. □



The History of Housing Counseling

by Louis Levy

Shortly after its inception in 1968, HUD's Housing Counseling Program had some 30 agencies under agreement to provide counseling services for low- and moderate-income households. These agencies functioned on a voluntary basis, receiving no funding at that time from HUD.

The survival of many of these agencies can be attributed to the tenacity of their staffs and their ability to obtain funding from sources other than HUD. In those days, we had doubts about the program's future because of its size and lack of funding. But HUD professionals in Washington and the field saw the need for such a program. So did personnel of HUD-approved counseling agencies and of agencies desiring such approval. These agencies and their staffs demonstrated a desire to assist people in meeting their housing needs and had the professional skills required to perform this function.

Since the program's beginning, funds have been allocated in the following amounts: \$3.25 million in 1972; \$300,000 in 1975; \$1 million in 1976; and \$3 million in 1977. The Appropriation Act for fiscal year 1977 not only provides for housing counseling to home buyers, homeowners and tenants through contracts, grants and assistance to counseling agencies, but also includes provision for the training of counselors in HUD-approved counseling agencies.

Why Housing Counseling?

HUD's primary purpose for making counseling available both before and after purchase or rental of housing is to prevent delinquencies, defaults, foreclosures and evictions which ultimately lead to acquisition of properties and the subsequent drain on the Corporate Insurance Funds.

Counseling also enables more families to retain their homes and apartments, with resulting benefits to their neighborhoods.

HUD's Housing Counseling Program has grown over the years, now covering 47 States, the District of Columbia, Puerto Rico and the Virgin Islands. Seventy-three HUD Field Offices have HUD-approved counseling agencies working within their jurisdictions. These agencies represent a broad spectrum of community-based and neighborhood organizations. Included are professional and nonprofit credit and family counseling agencies, extension services affiliated with the United States Department of Agriculture, city agencies, relocation offices, housing authorities, credit unions, redevelopment commissions, foundations, community action agencies and Urban League chapters.

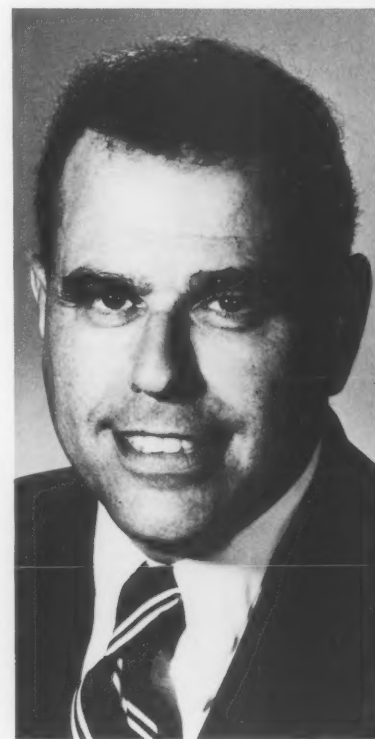
Under the HUD Office of Neighborhoods, Voluntary Associations and Consumer Protection and its predecessors, the number of HUD-approved counseling agencies has grown to approximately 500. These agencies counsel home buyers, homeowners and renters in the areas of money management, housing selection, purchase procedures, property care and maintenance, home management, buying/renting, lease provisions, and energy conservation. Further, there is counseling to cover homeowners in default and renters who are delinquent in paying their rent.

Over the past few years, several studies on the counseling program have been conducted. A report of the Organization for Social and Technical Innovation (OSTI) shows that counseling is effective in reducing the rate of foreclosures. HUD's Office of Policy Development and Research (PD&R) conducted a study in four cities and concluded that counseling was effective in reducing foreclosure rates by as much as 46 percent. Another more recent study by PD&R drew similar conclusions.

As the program moves ahead, comprehensive counseling grants are being made to numerous HUD-approved counseling agencies across the Nation.

in the amount of some \$1.3 million. Grants cover the cost of counseling for home buyers, homeowners and renters. Grants are also being awarded for the design, production and implementation of training modules to be used in the training of staff of HUD-approved counseling agencies. Approximately \$400,000 will be used in this training effort. Increased funding for expanded counseling activities is contemplated for future years.

Housing counseling has come a long way in a relatively short time, and its future looks bright as we approach the 10th anniversary of the program. □



Mr. Levy, who assisted in the coordination of materials for this issue of HUD Challenge, is a Community Services Specialist in the Housing Consumer Programs Division, HUD Office of Neighborhoods, Voluntary Associations and Consumer Protection. He has been with the Counseling Program since its inception.



Despite rising energy costs and declining birth rates, Americans still are buying large homes, according to the National Association of Realtors. The number of Americans buying homes with four or more bedrooms increased to 26.6 percent in 1976 from 22.4 percent in 1968. The number of homes sold in the four-or-more-bedroom category in 1976 was only .2 percent below the percentage recorded in 1975.

The Task Force appointed by Secretary Harris to study the future of FHA has made its report. *Revitalizing the FHA* was submitted by the group headed by Dr. Robert C. Weaver, former HUD Secretary. It calls for a strong role for FHA in the future, concluding that FHA provides an excellent vehicle for Federal innovation and leadership in the housing field. It cautions that "phasing out or reducing the role of FHA would severely hamper our efforts to meet the Nation's housing needs." Copies of the Report are available from HUD's Distribution Center, Room B-258, HUD, Washington, D.C. 20410.

The First National Conference on Urban Design will be held in New York City in April, 1978, under the auspices of URBAN DESIGN, the interdisciplinary quarterly for architects, planners, landscape architects and other urban designers. Scholars and practitioners are invited to submit 300-word abstracts for papers to be published as a workbook for the conference. Abstracts are due December 1, 1977, and authors whose abstracts have been accepted will be notified by December 16. Final papers are due January 28, 1978. For information, contact Lois Heyman or Ann Ferebee (212) 682-0830.

"People involvement in their own neighborhoods" is cited as a key ingredient in comprehensive neighborhood revitalization efforts in a status report of the National Center for Urban Ethnic Affairs (NCUEA).

Presented at a September 8th meeting of the NCUEA Board of Directors, the report covers current activities of the Washington based agency and highlights its work with 152 organizations involved in neighborhood revitalization in 55 cities and 25 States.

In a letter to the NCUEA Board, President Robert Corletta noted that "Msgr. Geno C. Baroni founded NCUEA in 1970 at the close of a turbulent decade. . . In our work we have encountered the distrust and cynicism the 1960's left in its wake. We have discovered a willingness among people to join together, to organize around issues of concern that directly and unavoidably affect them—neighborhood issues."

High-calibre executives in the GS 13, 14 and 15 levels throughout the Federal Government are being sought for the President's Executive Interchange Program. This unique exchange program arranges for promising executives in both the private and the public sector to gain experience by crossing sector lines to work for one year during the important middle period of their careers.

Qualified government executives or the supervisors of potential Interchange candidates should contact their personnel directors or the President's Commission on Personnel Interchange, 1900 E Street NW, Suite 1316, Washington, D.C. 20415; phone (202) 632-6834. Nominations for the 1978/79 Interchange year are due in the Commission office by February 1, 1978.

Concern about the distribution of the Nation's population and its impact on environmental quality, land use and other factors has become a public issue and subject for policy debate at the national level. There has been a biennial report on national growth prepared by HUD since 1970. More recently there have been calls for a national policy on population growth and distribution and/or a national growth policy, and a White House Conference on Balanced Growth is scheduled for early next year.

Larry C. Ledebur of the Economic Development Administration's Office of Economic Research has made an attempt to summarize and integrate the factors affecting population distribution into a framework for public policymaking. The outcome is a comprehensive survey of the literature on population distribution and residential preferences, and the factors involved in them, titled *The Economic Development Context of Population Distribution Issues*.

The basic conclusions to be garnered from surveys and polls available since 1948 is that a majority of Americans prefer nonurban residential settings, with the major constraint to migration being economic in nature. The trend is much more pronounced since the late 1960's, when the proportion of respondents favoring cities began to decrease significantly. From 1948 to about 1966, the proportion of the population indicating urban and suburban preferences increased.

Factors influencing residential preferences toward urban life appear to be contacts, variety, better schools, and culture. The determinants favoring nonurban settings are less crime, better air and water quality, the environment for children, and living costs.

The report is available from the Office of Economic Research, Economic Development Administration, Washington, DC 20230.

A Service to Homeowners and Lenders

by Leonard M. Leick
Better Housing League

For as long as this country has had a history, families rich and poor have dreamed of owning their own homes. For years Federal assistance has put that dream within the reach of many who could not otherwise afford a single-family house, but only recently have government subsidies been offered to help make homeownership a viable possibility for families near the bottom of the economic ladder.

Urban riots of the 1960's convinced many that the Nation would benefit from giving its poor a stake in society through homeownership. Pioneering plans were proposed by such figures as Congresswoman Leonor Sullivan of Missouri and Senator Charles Percy of Illinois, and in 1968 Congress included in its Housing Act two important sections pertaining to homeownership for the poor.



Leonard M. Leick

In May 1968, with Congress still deliberating on the 1968 Housing Act, the Better Housing League of Greater Cincinnati (BHL) took positive action to support the concept of homeownership for lower-income families, accompanied by an intelligent counseling effort.

The BHL Board of Trustees immediately began a study of the proposed program, and, by the end of 1968, voted to establish a homeownership counseling service even though no Federal funds were yet available to support it. In March 1969, BHL signed a formal agreement with HUD which named BHL a "voluntary pilot agency" for the purpose of doing homeownership counseling. Under the agreement, HUD formally designated BHL an agency to do housing counseling on behalf of the Federal Government and to recommend clients for approval as home buyers. The work was to be done by BHL without compensation.

Leadership Role Assumed

Since its founding in 1916, BHL had been in the forefront of efforts to make decent, safe, and sanitary housing available to all families at prices they could afford, primarily through the education of housing consumers and in cooperation with the housing industry.

After less than a year of operation, BHL's counseling program was developing beyond HUD's original concept of counseling as "credit patching." As the needs of its clients became clear, the League began to develop a complete program of consumer education. Families needed substantial training in money management at all levels—in budgeting, buying, use of credit, use of savings and checking accounts. They needed education in the legalities of home purchase and in the basics of choosing sound homes that would meet their present and future needs. In some cases, they simply needed someone to speak for them or to give them confidence to speak for themselves in the unfamiliar world of government bureaucracies and sophisti-

cated legal and financial transactions. Having assisted a family in buying a house, BHL did not consider its responsibilities ended—its program expanded to include training in the repair and maintenance of property.

City Funded

BHL's homeownership counseling staff of three professional counselors has been funded entirely by the City of Cincinnati, for its residents, since 1970.

In 1976, 830 families were counseled, an increase of 62 percent over the previous year. Of the group served last year, 545 had serious problems with houses they already owned. Counseling for them was aimed at avoiding mortgage default and preventing housing blight in the neighborhood.

Several times a year, BHL conducts group courses on how to buy a house, usually in connection with an adult education program. In 1976, 270 potential home buyers took the course, and in March of this year a record 188 participated in the course.

Services Diversified

With a growing concern throughout the community with the subject of mortgage disinvestment, BHL instituted a process to serve both the mortgage applicants who have been denied a loan and feel that they have a grievance, and the mortgage lenders who feel they have dealt fairly with those unsuccessful applicants.

The Board of Trustees of the Better Housing League established a Mortgage Loan Review Committee to examine complaints from persons who feel they have been unfairly denied a conventional mortgage loan. Anyone who believes his loan application has been unfairly rejected may bring his problem to the Committee for examination.

The Mortgage Loan Review Committee is composed of seven members, one representative each from the Savings and Loan Associations, the real estate industry, the Cincinnati Bar Association and the banking community, plus three representatives

from the community at large. The Better Housing League's homeownership counselors provide staff support for the Committee.

Better Housing League's counselors treat any grievance complaint in the same manner as they serve a prospective home buyer. The homeownership counselors conduct detailed discussions with the mortgage applicant. By obtaining a financial profile of the applicant, a description of the property which the client plans and purchases, and analyzing the purchase contract, a determination of the feasibility of the loan request can usually be made. Any past credit problems will also be researched to consider their effect on the loan application. Better Housing League counselors also ascertain present housing expenses to determine motivation and housing payment ability of the applicant.

The financial analysis of the above information allows the Better Housing League's counselors to have clear understanding of the merit of the application, and if needed, serve as a base for contacting the lending institution involved to seek a voluntary review of the mortgage loan application. After a decision by the lending institution, all information is presented to the Review Committee for its consideration.

BHL encourages the use of the Mortgage Loan Review Committee process as a factual response to allegations of redlining and discrimination in individual cases.

Dr. Andrew Brimmer, former governor of the Federal Reserve Board, recently completed a study for the U.S. League of Savings Associations in which he emphasized the need for prepurchase homeownership counseling to reduce mortgage costs and losses, especially in inner city areas.

Dr. Brimmer looked upon counseling of borrowers as a new tool which is "particularly promising." Here in Cincinnati we're fortunate to have this tool fully developed and ready for use, in the homeownership counseling program of the Better Housing League. □

Comprehensive Homeownership Counseling: A Preservative for Newark

One of the necessities of life is to have somewhere to live or to have a "roof over your head." But the kind of dwelling you live in and the environment are equally important.

On April 27, 1939, the Municipal Government of Newark created by ordinance the Newark Housing Authority, pursuant to the Federal Act of 1937 to provide low-rent housing. In 1939, Pennington Court, the first public housing project site, was constructed. Since that time 14 project complexes, consisting of 12,699 units of housing, have been

constructed as part of the public housing program in Newark.

As the years have passed the Newark Housing Authority has gone through some administrative changes. In 1974, the Newark Housing Authority became the Newark Redevelopment and Housing Authority. Its design was much the same—to assist low-income families in obtaining a decent, safe and sanitary dwelling in which to live. In meeting this goal the NRHA became very much aware of the fact that other social and economical problems exist in the daily lives of public housing residents.

Counseling Services Established

In order to provide other services that would go beyond those already being provided, the NRHA saw it necessary to create a vehicle to take on the great responsibility of satisfying the additional needs of the residents. This vehicle is known as the Division of Family and Community Services. The immediate responsibility of this Division is to provide the



Walter J. Johnson (left), HUD Newark Area Office Director, signs a certificate reinstating the Newark Redevelopment and Housing Authority as a HUD-approved counseling agency. Looking on are Fred D. Butler (center), Chief of Family and Community Services, Newark Redevelopment and Housing Authority, and Robert Notte, Executive Director of the Agency.

services and resources necessary to assist families in coping with problems in various socio-economic areas.

Even though the NRHA had expanded its services to help families on an individual basis, and communities as a whole, it still was not satisfied. Once again the Authority deemed it necessary to add other services, this time to assist Newark residents that are not public housing residents.

HUD requested that the Authority participate in a training program for Comprehensive Homeownership Counseling, because of its concentrated involvement with housing.

Prior to this request, the Relocation Review Board (RRB), created in 1969, handled all homeownership counseling. The RRB had been created as a community based agency to deal with the then critical problems of families living on what is now the College of Medicine and Dentistry site. Due to a lack of funds, the RRB terminated its operation in 1973 and the Authority retained several of its staff.

Having inherited a highly trained and officially certified staff the NRHA decided to participate in the Comprehensive Homeownership Counseling program. The NRHA received its certification as the Comprehensive Homeownership Counseling Agency for the City of Newark.

The Authority's newly acquired counseling unit operates out of the Division of Family and Community Services. It has contracted with the Mayor's Policy and Development Office to provide comprehensive homeownership counseling to all Newark residents at no cost.

Objectives of Program

The major objectives of the Comprehensive Homeownership Counseling Unit are to save a home from foreclosure, save family unity, reduce abandonment of property, preserve neighborhoods, assist renters, and educate potential home buyers.

Once someone comes into the counseling unit office, a form must be filled out, which is kept confidential. The problem is then dis-

cussed and analyzed.

In one case, counseling was assigned for a 2-year period. The family was paying on a home mortgage in 1975. The husband was unemployed for one year. The wife's income was not enough to support the family and pay the mortgage. Extensive repairs were needed on the property, and payment of the water bill was long overdue. The family lost the house 2 months prior to their initial visit to the counseling office.

However, the family was not discouraged; they continued to come to their scheduled counseling sessions. They said they wanted to purchase again, when they were able.

The family was given extensive counseling in the areas of pre-purchase, budget and debt management, and total housing expenses under Section 237 credit counseling.

Upward mobility assistance followed the counseling period. Debts were diminished; the savings account grew; the husband was employed again; and the family remained stable throughout the entire crisis.

At the end of the 2-year counseling period the counselor recommended the family for an FHA insured mortgage loan, providing them with a certificate for purchase under the 237 program. The family purchased a home during the summer.

Another family already had a mortgage, but for reasons beyond their control became delinquent in their payments. The mortgage company referred this family to the counseling office as a "D&D" (Delinquent/Default) case.

When the initial application for counseling was submitted on the family, it was found that the husband had recently become disabled due to an infection incurred while on his job. The wife's income was just over \$8,000. There were seven dependents, and the oldest daughter attended college. The family was in financial trouble and falling behind in many of their debts. Their mortgage payment was 3 months in arrears, at \$268 per month.

The family was counseled exten-

sively in Debt and Budget Management and the counseling unit was instrumental in obtaining a 6-month payment plan (forebearance agreement) from the mortgage company.

The family agreed to follow the payment schedule of the forbearance agreement, which was to continue from Dec. 1976 to June 1977. However, the family managed to make the account current in 4 months and paid nearly \$300 over the amount due.

These cases are just two out of many in which NRHA's Comprehensive Counseling Unit has been instrumental in helping. The Comprehensive Counseling Unit also offers assistance to renters of public housing in urban development areas. Renters are usually counseled in Debt and Budget Management, but if they have problems that cannot be handled by the unit, the unit can refer them to the proper agencies.

The Comprehensive Counseling Unit also counsels renters of apartments in new developments in pre-occupancy and post-occupancy move-in. This counseling is usually done in group sessions of 14-15 persons per group, for one hour.

Along with the counseling program the Comprehensive Counseling Unit offers a Simple Home Repairs Workshop to established homeowners and purchasers of city property. The workshop is designed to save homeowners the cost of hiring professional contractors to make repairs that can be done by the homeowner. Such repairs may include: replacing a broken window, repairing a screen, minor plumbing, replacing a broken lock, etc. The Simple Home Repairs Workshop will be conducted on a first come, first served application basis. The Workshop began on August 13, 1977 at Columbus Homes Training Center. □

*—Robert Dixon
Housing Counseling Aide
Newark Redevelopment &
Housing Authority and
Willie Williams,
Housing Counselor
HUD Area Office, Newark*

NFHC: An Advocate for Housing Counseling

by Charles G. Stocker
President
National Federation of
Housing Counselors

A small group of dedicated housing counselors met at a workshop in Greensboro, North Carolina in the Spring of 1973 and decided to establish a nationwide association.

The profession of housing counseling was then almost 5 years old. The Housing Act of 1968 had foreseen the need for competent professionals to advise low- and moderate-income families who would become homeowners for the first time; the ensuing 5 years proved a disappointment to those

committed to the concept of counseling, and a disaster to thousands of American families who suffered because housing counseling was not yet an established support to Federal homeownership programs.

From its small beginning in the South, the National Federation of Housing Counselors has grown to the point where it can effect support of housing counseling from the Congress and work in partnership with HUD toward the establishment of a corps of trained professionals who would use counseling techniques to prevent housing deterioration and neighborhood blight.

Since the appointment of Assistant Secretary Geno Baroni, whose responsibilities include housing counseling, the Federation has enjoyed close contact with HUD and has been able to work directly with its officials on matters of importance to counselors and their clients.

Purposes & Structure

The Federation is a nonprofit organization of State chapters and individual members, governed by a board of directors made up of the presidents of affiliated chapters, charter members, and members elected at-large.

Its purposes include acting as a clearinghouse on information of value to housing counselors, upgrading the profession by setting professional standards, recommending legislative actions, and acting as an advocate for the recognition of housing counseling as a component of the American housing system.

From its origin in a meeting of counselors from one State, the Federation has grown to include chapters in most States and national membership of about 300 persons.

Contact with Congress

NFHC testified before the House of Representatives in April of 1976 and recommended that Congress add \$5 million to HUD's budget, to be used for the training and support of HUD-approved counseling agencies.

The House-Senate Conference on the appropriations bill for fiscal year 1977 agreed to allocate \$3 million for this purpose.

This year NFHC appeared before both the Senate and House, speaking in support of a \$10 million allocation for support of comprehensive counseling services throughout the Nation.

Certification

In 1975, the Federation established a program for the training and certification of individual housing counselors. HUD's official approval has been extended only to counseling agencies, rather than to the professional counselors themselves.

Since the certification program began, over 170 housing counselors from all around the country have gained professional certification from NFHC.

Looking to the Future

In its statement at HUD's Consumer Forum in January 1977, the Federation called for "counseling... available across the board for all HUD insured and subsidized programs... (and) that costs related to the provision of quality counseling services be recognized as an integral part of a successful housing program."

Dr. Oliver Jones, Executive Vice-President of the Mortgage Bankers Association (and NFHC's "Man of the Year" for 1977) said that "the best answer (for the variety of problems faced by families using HUD programs) can be found in the experience of housing counselors as they deal with these problems. An urban network of housing counselors, once established and accepted, should be able to develop the kinds of programs that are needed." □



Charles Stocker (left), president of the National Federation of Housing Counselors, presents the Federation's "Man of the Year" award to Oliver Jones, former vice president of the Mortgage Bankers of America.

Counseling: A Positive Public Service Job

by Oliver Jones

One of the newer devices for stimulating employment is the provision of Federal funds to provide for public service employment.

Some of its critics argue that local governments simply use the funds to meet city payrolls and reduce the pressure on their budgets—no new jobs are added. Others argue that new jobs that are added last only as long as the Federal largesse and no product performance is required.

These criticisms are valid, but so is the need for jobs. At the same time, housing subsidy programs need the support of counselors trained in the complexities of Federal programs and aware of the problems and needs of low-income families. Why not marry these needs, solve two problems, and end up with a valuable product?

Despite the negative attitude towards counseling, HUD's own studies indicate that dollars spent in counseling are returned in savings from reduced foreclosures and the consequent losses. Surely, an adequate counseling program would have avoided, or greatly reduced, the fiascos of Chicago, Detroit, and Philadelphia in the early Seventies.

So, why not take a positive approach to public service employment and make counseling available to low-income families in need of shelter in every city in the land. The farm community has benefited from some 17,000 county agents servicing a wide variety of farmers' needs for a half century. If we are truly concerned about the Nation's cities, can we do less for the farmer's city cousin?

Equalizing Benefits

Many low-income families in urban areas are only vaguely aware of the wide and complex variety of housing

assistance available. Welfare payments, public housing, Sections 235 and 236 housing, and rent supplements are all common terms in the industry's lexicon. They are not common terms in the public's understanding of what is available, who is eligible, and how to apply for assistance. These gaps could be closed by counselors who understand the programs and are sensitive to the varied needs of the poor.

Picture a convenient downtown office where low-income families could go for advice and assistance. They could find out if they are eligible for housing assistance, the type of assistance available, and how to apply. The counselor could help prospective homeowners find housing that fits their needs, teach the family to manage its budget and learn about the new responsibilities of homeownership. The counselor can see that the assisted family is not hoodwinked and does not take on more responsibilities than it can handle. He can aid in finding and negotiating financing.

This suggestion argues for counseling in the initial stages until the counselor feels that the family can go on its own. It is not satisfied with the current fad of "default counseling," which begins after the family is in financial difficulty. It is not just another handout. The funds for housing assistance are being, and have been spent in billion dollar measures but the delivery system lacks this vital and cost effective element—counseling. As a result, expectations have turned into sour disappointments; one new program after another has turned into failure, and the task of housing the Nation's low-income families remains.

Would it not be far wiser to reduce the unemployment figures on a more permanent basis and, at the same time get a productive result from public service employment as well as from housing subsidies? □

(Dr. Oliver H. Jones, economist and author, is executive vice president of the Mortgage Bankers Association of America.)

Meeting the Need in Charlotte

Disabled after 25 years on the same job and unable to collect retirement and disability from his company, a client whom we will call Mr. Bryan, was in serious trouble. While he had been approved for Social Security benefits, he had not yet received his first check. All savings had been exhausted, and he was living on borrowed money.

One of Mr. Bryan's prime concerns was his home, which he had owned for 20 years. His mortgage loan balance was only \$1,500, yet he was several months in default and foreclosure was imminent.

Finally, some good things started to happen for Mr. Bryan. His small Social Security check started arriving and a friend told him about Family Housing Services, Inc.

Family Housing Services, Inc., (Charlotte, N.C.) a HUD-approved counseling agency, immediately went to work to help Mr. Bryan put his life back in order. His counselor contacted the mortgagee and explained the circumstances and problems involved. After several discussions, temporary forbearance was granted until Mr. Bryan's income could be increased. He was then referred to the Legal Aid Society and information was gathered to proceed with a lawsuit if necessary to obtain his retirement and long-term disability benefits. Shortly thereafter, in response to letters written by the Legal Aid attorney to the company, he began receiving his retirement and disability income. With income now increased, the counselor helped Mr. Bryan work out a reasonable budget, and a new payment schedule was accepted by the mortgagee for liquidation of the final balance of his mortgage.

Today, Mr. Bryan is current in these



Counselors Emma Broom and John Banks discuss a case.



Jerry Springs, counselor, makes telephone contact with client.

payments and should have his mortgage completely paid off in approximately 8 months.

Mr. Bryan's story has a happy ending. In 1972, three Charlotte churches recognized a need within the community centered around the housing problems of low- and moderate-income families. Their response was to organize a nonprofit corporation, now known as Family Housing Services, Inc., for the purpose of providing housing and related counseling for low- and moderate-income families under federally subsidized and unsubsidized programs.

Homeownership

At the inception of the program, the small staff focused all their efforts on helping families obtain homeownership through the 235 and 237 programs (pre- and post-occupancy counseling). Families referred to the program generally had problems relating

to low income, poor credit, job instability, age, excessive financial obligations, or a combination of the above.

As the program grew, it became obvious that families could be helped to obtain and maintain homeownership through counseling as evidenced by the less than one-half of one percent foreclosure rate experienced by agency clients.

In early 1974, the agency realized that only the "tip of the iceberg" had been touched, and that there were many families in the Charlotte community who had not previously had the benefit of pre- and post-occupancy counseling and were facing foreclosure on their homes. At that time, FHS decided to extend its counseling to those families in default on their mortgage payments. To initiate this effort, the agency held a meeting with the nine major mortgage companies in the Charlotte area for the purpose of organizing a system whereby the families could be referred to the agency at an early date in the default and thereby avoid foreclosure.

By working with HUD, the mortgagee, and the mortgagor, Family Housing Services has been able to offer immediate relief to families in serious trouble, as well as long term educational counseling. Family circumstances are addressed rather than just the mortgage problem. Meaning-

ful changes in lifestyle frequently result.

In July of 1975, Family Housing Services was approved, with the endorsement of the Charlotte Mortgage Bankers Association, for funding on a contractual basis through the Community Development Department of the City. In addition, funds were provided through the City Manpower Department for additional staff to work with families not eligible for Community Development funding.

As the work of the agency became better known in the community, more and more problems concerning housing came to the attention of the staff.

In January 1976, the agency was awarded a contract through Title XX of the Social Security Act. Later in the year, HUD contracted with Family Housing Services to provide default counseling to homeowners with Section 235 mortgages. These contracts, coupled with Community Development and Manpower funding, enabled the agency to provide assistance to all residents in the area with housing problems.

Volume of Cases Increase

Within the last year, FHS worked with over 1,000 families, approximately 400 of which were facing foreclosure or eviction from their apartments. Of these 400, 70 percent were able to make current their mortgage or rental payments. Less than 5 percent lost their homes through foreclosure or eviction. The remaining 25 percent are continuing in payment plans or have been assisted in relocating to more affordable housing.

Some 200 families were helped with budgeting, management of resources, provision of basic appliances, obtaining adequate housing, assistance with minor home repairs, and consumer problems.

Home repairs and maintenance seem to be a problem for many of our older citizens, such as Mrs. Malone. A widow, living on Social Security she receives benefits of \$221 a month. She was in no position to keep her home in good



Counselor Velma Malone sits on new front porch of her home.

repair. She and her husband had worked to buy and pay for the house, but now it seemed that the needed resources were not available. Her FHS counselor pulled together volunteer labor and donated materials to take care of the most immediate repair needs, such as new flooring to replace rotting wood, and roofing to stop the leaks in the house. In addition, Mrs. Malone was referred to the Farmers Home Administration, and has qualified for a grant to take care of major repairs on her home.

Last winter, the community called on FHS to help families who could not afford to heat and winterize their homes. In a matter of days, Family Housing Services put together a program which furnished fuel and basic winterization to over 400 families in the Community Development target areas.

Preventive Measures Sought

While the major thrust of Family Housing Services, Inc., is helping families in trouble, the agency is also working to prevent problems. One of the problems of low- and moderate-income families is that of money management—use of credit, budgeting, and consumer awareness.

In an effort to increase general knowledge in these areas and others, the agency conducts consumer education classes in cooperation with the

community college. Class participants learn about the use of credit, interest rates, budgeting, home buying and maintenance, comparative shopping, community services and product evaluation. In addition, the participants are encouraged to set personal goals and priorities and to use the skills learned to reach their goals.

Pre- and post-occupancy counseling addresses both preventive and crisis needs. Its purpose is to help families procure decent, safe, and sanitary housing which meets their particular needs, and to realize the rights and responsibilities of tenants and homeowners in today's society.

Another client, referred to here as Ms. Smith, was referred to Family Housing Services because a sister with whom she had been living asked her to move. Ms. Smith, who is an epileptic, had previously been denied Social Security and was not able to obtain a job. The counselor persuaded Ms. Smith's sister to provide accommodations until a more suitable arrangement could be found.

Ms. Smith was referred to the Epileptic Association and began receiving work training under the Goodwill Industries Rehabilitation Program. She was also referred to the Department of Social Services, where she applied for, and received, Special Assistance for Adults. Ms. Smith then applied for Section 8 housing and was approved almost immediately because of her disability; used furniture was obtained at a very low price. Ms. Smith is presently receiving budget and resource management counseling from the agency.

Family Housing Services, Inc., continues to be one of the prime sources of housing assistance within the Charlotte community. The day will arrive, it is hoped, when all Americans will have decent, safe, and sanitary housing. In the meantime, the agency and its dedicated staff will keep working and helping people with housing problems. □

—Barbara Lucas,
Executive Director
Family Housing Services, Inc.

Counseling in the Kansas City Housing Information Center

The Housing Information Center has been an advocate of pre-purchase counseling since 1969, when, after abuses began to appear in the Sec. 235 single-family homeownership program, there also appeared problems concerning the responsibilities of homeownership. It was evident that potential buyers were used by unscrupulous real estate speculators who preyed upon the strong desires of low- and middle-income families to become homeowners, and their

Kansas City's(Kan.) Human Relations Department Counseling Program

The Board of Commissioners of the City of Kansas City, Kansas recognized the plight of many of its citizens who faced the problems of eviction and foreclosure on their homes purchased through HUD's Section 235 program. The Human Relations Department was officially certified by HUD's Housing Management Division, October 1, 1974. During the past 3 years the Human Relations Department has provided authorized counseling services to over 400 families in the areas of home and budget management, home maintenance, fore-

ignorance of the differences between the responsibilities of tenants and homeowners. Coupled with these facts were the generally older condition of homes and areas to which they were being steered, which added financial burdens for repairs having to be made after inspections failed to reveal impending problems, or neglected to point up existing problems.

It was HIC's contention at that time that home buyers needed some advice to preclude discriminatory steering, to understand the terminology of homeownership, and to be fully cognizant of the costs of homeownership. It was obvious that understanding of the costs of ownership was seldom, if ever, fully explained, given the numbers of families who continually referred to their payments as "rent," and who consistently applied to either the real estate office, the mortgagee or HUD for repair of locks, washers, replace-

ment of screens, etc., and were thoroughly confused by such terms as MIP, escrow and amortization.

From these experiences HIC has developed an approach to pre-purchase counseling which will alleviate, if not totally prevent, many problems after purchase.

Housing Information Center Approach

Families in the low- and middle-income categories, should be able to seek assistance before they approach a real estate office, to be given some cold, hard facts about homeownership, both positive and negative. This is not encroaching upon the turf of the real estate brokers, who because they are primarily concerned with sales, cannot be expected to be entirely unbiased. A neutral counseling agency, concerned primarily with the needs and capabilities of the family, the ability of the family to achieve

the optimum in their own and community stability, should be the initial contact point. Added to this is the agency's interest in equal opportunity in housing and the physical condition of the dwelling unit, which serves to accomplish purposes of a broader scope.

At HIC, the initial interview with the family requires at least one hour, during which information as to the size of the family, its lifestyle, debts, educational needs, and other matters is sought. Indeed, any activity which impacts upon available, spendable income is included as part of the total picture. Gross income, or expected income in the immediate future, is not figured. Net income, including the net income of all family members, is the base figure used. It does no good to figure income before taxes or before deductions for insurance, car payments, etc., are made. The deductions are not spendable income! If income tax refunds, for instance, are expected, then HIC advises other uses for the funds, and only after the cash is in hand. HIC utilizes a "Money Management Memo," which requires that the family record every cent spent, on a daily basis from weekly food purchases to a stick of gum, or the pennies put into the piggy bank. In addition to producing surprises as to the total amounts sometimes simply "frittered away," the Memo also begins to show that disciplined approaches to the use of money will result in a better use of funds. The Center attempts to help the family put itself on a "saving budget," which means that after all absolutely necessary expenses are budgeted, there would be a small amount put, on a regular basis, into a limited withdrawal, interest bearing account, to establish the cushion for house maintenance, or other expenses which must be budgeted for or which are unforeseen, but must be dealt with. This requires weekly, or at least semi-monthly private consultation, with the completed Money Management Memo in hand, to review and critique the utilization of resources.

closure prevention and rent delinquencies. The Board of City Commissioners has supported the Human Relations Department in all of its efforts to provide sufficient and competent leadership in important areas of housing counseling and fair housing marketing. Through the Human Relations Department yearly budget, which is part of the City General Fund, we have a full time Housing/Counseling Specialist on Staff. Secretarial help is also supplied to this area of our program. The city, through the Human Relations Department, has also coordinated (as host) various meetings and workshops in the area of housing counseling.

Record of Success

During the past year alone, the Human Relations Department counseling program was successful in reinstating and making current over 100 defaulted mortgagors. We feel that without the counseling program there would have been over 100 foreclosures. Therefore, over 100 families

remained housed and weren't forced to seek other housing in the already overcrowded housing market. The foreclosure prevention eliminated the possibility of all or some of those properties becoming vacant targets for vandalism, adding blight and deterioration to an otherwise stable neighborhood. Over and above the number of foreclosure preventions mentioned, the department has provided numerous families and individuals with general housing assistance, information and advice, and has been successful in obtaining financial aid for many of those served.

The Kansas City Human Relations Department has, for the last 3 years, accepted both the total volunteer financial and staff responsibility of being a certified housing counseling agency. □

*Will Florence Robbins
Director Human Relations Dept.
and Vernal L. Wilkes, Housing
Counseling Specialist*

Classes Held

Classes in home repair and maintenance are offered on a regularly scheduled basis, both day and evening for easy accessibility. Homeowners will be able to make repairs and know *when* professional help is needed. Classes are offered in general budget management, food management from shopping to table, energy conservation, security, fire prevention and utilization of other community resources.

When the family has completed at least 2 months of counseling, with all of the above noted having been completed, a determination is made as to the capability of the family to invest in the purchase of a home.

Assistance is given in shopping for a loan, and it is during this, and other consultations, that information about equal opportunity in housing is also offered. Assistance is given also in the actual search for suitable housing; inspections are made of dwelling units to determine basic standard conditions. We frown upon using "easy loans" to cover needs; we urge instead changes in lifestyles until sufficient funds are available to handle needs and desires. When the cost of so-called "easy loans" is revealed, there is often some shock and immediately a "swearing off" from such practices. If this posture can be maintained, we feel we have accomplished much that is positive.

Because we have to delve so deeply into the personal life and habits of the family, we take extreme steps to maintain the positive attitude of advocacy and strict confidentiality. Winning family trust is paramount. If this is accomplished, a warm and on-going relationship often evolves. From this trust frequently flows a continuing association, resulting in better employment, career motivation pursuits, and the use of many other resources. This can only be viewed as desirable in achieving stable homeownership, and points up the efficacy of pre-purchase counseling. □

—Ruth G. Shechter
Director, Housing Information Center
Kansas City, Missouri

Counseling in Connecticut

A counseling tool that may be the Nation's first computerized listing of urban housing opportunities, is now on line at The Housing Market, a HUD-approved Counseling Agency. According to Frank Dellert, acting administrator of the nonprofit firm, the 250 Hartford housing opportunities on the company's computer, is the most comprehensive available. Free use of the Data Bank is available to anyone interested in buying or

selling a home in Hartford.

A similar effort continues to operate after initiation early in February involving Hartford rentals. With its use, more than 125 families and individuals seeking rental opportunities have secured housing in the city to date.

Listings, both in the purchase and rental data banks, are by numbers of bedrooms and price. Each list is updated daily, as new housing opportunities are received at The Housing Market Office.

Realtors and brokers are the most frequent "advertisers" in the Data Bank, followed closely by institutions and individual home and apartment owners. Counselors satisfy both present Hartford residents and out-of-town residents who wish to move to the



Pictured in the offices of the Housing Market, a HUD-approved counseling agency, are (left to right): Frank Dellert of Housing Market; John Stobie; Larry Thompson, HUD Hartford Area Office Director; and Bernard Cameron, Director of Housing Management, HUD Area Office, Hartford, Conn.

city by use of the printouts.

A counselor at a HUD-approved counseling agency must respond to questions such as: "What priced home can I afford?" "How much of a mortgage can I carry?" "What will be my monthly mortgage payment?" "What will be an approximate monthly escrow for taxes for that priced home?" A quick reply to such questions generates reciprocal trust. Counselors are taught that reciprocal openness promotes feedback from those being counseled.

The Hartford Area Office counseling services advisor believes the following twelve points in counseling should be communicated in all default interviews with counselees:

1. Teach family members early the importance of working and earning.
2. Teach children to make money decisions in keeping with their capacities to comprehend.
3. Teach each family member to contribute to the total family welfare.
4. Teach family members to pay financial obligations promptly as part of integrity and honesty development.
5. Learn to manage money before it manages you.
6. Learn self-discipline and self-restraint in money matters.
7. Use a budget.
8. Make education a continuing process.
9. Work toward homeownership investment, not consumption, improving and beautifying the landscape so that if the home is sold, capital gain to get a better home will result.
10. Appropriately participate in an insurance program.
11. Strive to understand and cope with existing inflation.
12. Appropriately indulge the family in a food storage program as a bulwark against loss of employment, illness, strike, or disablement. ☐

*—John G. Stobie
Counseling Services Advisor
HUD Area Office
Hartford, Conn.*

Profile of a Family Client

The Smith family's income is manageable but somewhat limited. A special strain was put on it with the birth of their youngest child who suffers from severe brain damage. She will never be able to function other than at an infantile level.

Mr. and Mrs. Smith came to Family Social Services when Marci was about 1½ years old. At that time, they were interested in working with the budget counseling program, as a prerequisite for attaining a HUD-insured Section 235-237 loan. Family Social Services had been designated as a HUD-approved counseling agency in July 1969.

The family's living expenses, along with their then current debts consumed every penny of their income. The budget counselor estimated that it would be from 4 to 6 months before a recommendation could be successfully submitted to HUD. Mr. and Mrs. Smith expressed a preference for budget consultation. This was mutually agreeable to the budget counselor and the Smiths. Appointments were scheduled for every other week.

Progress Made

As Mr. and Mrs. Smith were able to see that they were making progress toward purchasing their own home, they became more and more comfortable with the budget counselor and began to trust her as someone they could confide in.

Eventually, they shared with her their concern about Marci. Her care required so much of Mrs. Smith's time that they feared the other chil-

dren were being shortchanged. Also, Mrs. Smith expressed the embarrassment she felt whenever she had to take Marci with her on shopping trips or for other errands. It was her impression that people stared at Marci and that their comments had more to do with pity than with understanding.

The budget counselor suggested that perhaps they would like to talk with a social worker on the staff who would be able to assist them with Marci's problem. They agreed and were introduced to a social worker who had experience working with the mentally and physically retarded.

The social worker met with them a number of times at the office and in the Smith home. She discussed with them several different plans that were available to them for Marci's care. They chose, as the alternative that best suited Marci's needs as well as their own, having Marci placed at Wheatridge Home and Training School—a facility financed through the State Department of Institutions.

The Family Social Service worker submitted their application to Wheatridge. The personnel there accepted the application and requested that a Family Social Services social worker remain in close contact with the Smiths, helping them to handle the agonies of separation and placement.

At about this time their HUD application was also submitted and approved. The Smiths moved into their new home shortly afterwards.

Marci's placement was very difficult for them, but since her placement at Wheatridge the Smiths have seen an improvement in their other two children's behavior. The family visits Marci as often as possible and occasionally they bring her home with them for vacations.

They feel that the budget counselor and social worker at Family Social Services of Pueblo, assisted them in working out the two most difficult situations of their life. ☐

*Delores Cordova, Counselor
Family Social Services
Pueblo, Colorado*

Counseling Agency Conducts Solar Experiment

by Mary Lou Hinchey

During the summer of 1976, West CAP (West Central Wisconsin Community Action Agency, Inc.), a HUD certified counseling agency, weatherized the home of Mr. and Mrs. Campbell of Roberts, Wisconsin.

Mr. Campbell has been out of work for 2 years following open heart surgery. He and his wife have six of their nine children still living at home.

This combination of factors resulted in the selection of the Campbell home for a solar energy experiment under the auspices of West CAP.

For the weatherization program and solar energy program West CAP combined several funding resources. They used CETA (Comprehensive

Employment Training Act) positions to pay for most of the labor. The Community Services Administration and Wisconsin Department of Local Affairs and Development provided funds for weatherization materials and materials for the solar collector.

This agency demonstrates an extraordinary ability to coordinate various State, county and Federal funding resources to impact upon the housing needs in their seven-county—predominantly rural—area in northwestern Wisconsin.

Colorado's Housing Counseling Coalition, Inc.

The Housing Counseling Coalition, Inc., is a nonprofit organization made up of 12 members of certified housing counseling agencies and eight awaiting certification by housing counseling agencies approved by HUD throughout the State of Colorado. The coalition was organized in January 1973 for the purpose of finding solutions to some of the problems in housing that the citizens of Colorado had encountered.

This body of concerned representatives of social service agencies included persons with extensive backgrounds in personnel management, business administration, education, budget counseling, neighborhood community work, human relations activities, urban and rural planning, and housing authority and urban renewal specialists.

Between 1973 and 1975, as a result of the combined efforts of this organization, 74 families were counseled under HUD's counseling program, 419 families received default counseling, 4,002 families were counseled under the Sections 235 and 237 programs and 10,041 families were

counseled in other phases of the programs. These included certifying families for the Rent Supplement Program, budget counseling, job referrals, handling tenant/landlords disputes, homeownership and rental counseling, and counseling in the face of foreclosure, default and eviction. Other activities included obtaining assistance from the legal service office, the welfare department, the food stamp office and the child day care facilities.

Importance of Good Relations

Housing counselors must establish a good working relationship in the community with finance, mortgage and lending agencies in an effort to forestall foreclosures and evictions. Members of the Coalition have addressed themselves to this concern, not only on a day-to-day basis, but with semi-annual meetings scheduled with participants that represent the mortgage and banking community, real estate and apartment managers, and HUD representatives.

Not only do the members of the housing counseling coalition represent the many and varied aspects of housing counseling, but the Colorado Springs element of the Housing Counseling Coalition represents the district and separate agencies of that community with agencies performing the broad scope of housing counseling and specializing in other areas of housing counseling.

J. Harris La Rue, Housing Counselor/Community Liaison for the

Urban League of the Pikes Peak Region, specializes in certification of persons for low-income housing that are not being serviced by the local Housing Authority. In addition, he services and counsels tenants and landlords in tenant and landlord relations with most of the referrals being made through the District Attorney's Consumer Affairs Office.

Jean De Herrera, Budget Counselor for Catholic Community Services, performs budget counseling for persons who have problems maintaining financial stability—concentrating on meeting payments on sale and rental housing.

Jose Cardiol, Housing Counselor and Utilities Specialist for El Paso County Department of Community Services, counsels families in consumer education focusing on utility bills and the winterization of homes.

Information and guidance in the Housing Counseling Program has been provided by Anne Troutman, Housing Counselor for HUD's Region VIII Field Office, located in Denver, Colorado.

By sharing information through regularly scheduled meetings, the Colorado Housing Counseling Coalition, Inc., has proven itself to be a viable force within the community. Citizens and business people of the community have sought the services of the housing counselors and have expressed their appreciation for the knowledge, assistance and expertise provided. □

Purchases and Rehabilitation

In order to maximize their service benefits to their clientele the agency assists in processing single family home purchases and rehabilitation loans under HUD/FHA, Farmers Home Administration, Wisconsin Housing Finance Agency, Veterans Administration and Community Development Block Grant funding/loan procedures. They also assist in formulating Housing Assistance Plans and in developing proposals for multifamily new construction projects. West CAP is licensed by the State to provide professional financial counseling and debt adjustment counseling.

Agency Cited

In the May 1977 issue of *ETA Interchange* West CAP was recognized for its use of CETA employees for weatherizing hundreds of homes in the area. To date they have weatherized over 800 homes, including all homes on two Indian reservations in their service area. Mike Kolstad, Assistant Housing Director for West CAP estimates the cost of labor and materials for weatherization averages \$700 per unit. West CAP's comprehensive approach to energy conservation also includes consumer education, housing rehabilitation and counseling to obtain grants and low interest loans for basic home renovation.

The agency sells wood burning stoves and has developed a basic solar collector for a supplemental heat source. Mr. and Mrs. Campbell received the first experimental solar collector at their home.

Their solar collector panel is 8' x 16' and was built at a cost of \$600 plus \$400 for installation of ducts to transmit the heat into the home.

CETA Workers Used

West CAP utilized unskilled CETA employees under the supervision of a skilled carpenter to construct the solar collector. A University of Wisconsin-River Falls physics professor, Dr. Neil Prochnow, and a physics student provided technical assistance.



The Campbell home in Roberts, Wis. is shown with a solar collector.

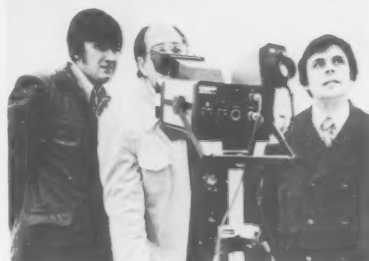
They attached computer sensors to test the efficacy of the collector on an ongoing basis. Professor Prochnow said the collector could heat a 16' x 20' room totally. It is intended to heat the Campbell's living room downstairs when the sun is shining. It warms the downstairs and, of course, the heat eventually drifts upstairs.

The University's research is aimed at determining whether or not, based upon the amount of heat collected, the solar collector will have a significant impact upon the family's income. The University's role is voluntary and constitutes an independent evaluation of both the basic weatherization program and the solar heating experiment operated by West CAP.

Earlier Study

The Society of Physics Students at the University of Wisconsin-River Falls campus did a study that found that basic weatherization could save 20 to 30 percent of a family's heating costs. The solar energy experiment is expected to increase energy savings for the Campbell family.

It is the agency's role in coordinating the multiple funding resources which is crucial to the success of its programs. The independent evaluation



(left to right) Carl Saueressig, Dr. Neil Prochnow, and unidentified employee check out the Morrison "Heat Loss" camera in West CAP Agency.

of the program's effectiveness which is being conducted by the University will provide hard data when the final results are published. West CAP will probably be in an advantageous position to seek funding when the research results are in.

Already West CAP has been granted \$600,000 for additional public service employment slots to expand the weatherization program. The agency also has a proposal awaiting a decision on an additional grant from the Community Services Administration. □

Ms. Hinchey is a Housing Counselor Advisor in the Milwaukee Area HUD Office.

The Housing Development Corporation and Information Center

by Robert T. Jackson

The Housing Development Corporation and Information Center (HDCIC) is a former Model Cities operating agency which began as a grassroots housing and information entity in 1970. The HDCIC was created to be a catalyst for housing in difficult and overlooked inner-city areas, as well as to provide technical and financial assistance and information.

Today, HDCIC continues in these endeavors, mainly through its developments, housing management activities and through community development funds. The HDCIC is also a comprehensive housing counseling agency deeply involved in rent delinquency and mortgage default counseling.

It has been stated on many occasions that, "Four walls do not make a prison make," nor does it necessarily make a comfortable "living unit." Or does it? At long last, we have graduated to the seventies and are beginning to realize the advantages of providing additional amenities to federally-assisted housing such as color coordinated units, air conditioning, garbage disposals, carpeting, etc. We now recognize that "bodies" and "no vacancy" do not solely contribute to the well-being of a housing complex. As we become conscious of the need for additional amenities to federally-assisted housing, we are also becoming aware of the need for non-sheltered services which help to assure the social well-being of residents.

One of the best ways to effectively understand a tenant and his problems is through counseling. Low-income renters in federally-assisted

housing developments are frequently self-conscious about their economic status and often feel stigmatized. Owners, managing agents and counselors must alleviate this self-consciousness through trust. Once trust is earned through genuine and *actual* concern, counseling is generally successful.

The Scope of Counseling

Rent delinquency counseling must go beyond delinquent rent. Inherent in the delinquency are problems relating to employment, domestic, social and sometimes mental conditions which contribute to nonpayment of rent or social discord. Since the late sixties and early seventies, training has been advocated for homeowners. The same should hold true for renters. There are some renters (regardless of economic status) who simply do not know how to rent or what their responsibilities are (when the refrigerator should be defrosted; that the windows should be closed when using air conditioning; or to call management when the plumbing continues to overflow).

The HDCIC manages 500 federally-assisted multifamily units. The above philosophy is utilized both in processing incoming residents and those presently in occupancy. Initially, those applicants who are marginal, both economically and socially (attitude, motivation, past renting habits), are required to undergo a counseling session in order to communicate in both directions: what is expected of them, to more fully explain our development concepts; and, the finances involved in a move to our managed housing complexes. Often this one session is adequate. However, when necessary, there are post-counseling sessions.

For those individuals who are presently in occupancy, the approach is to provide direction and alternatives to situations with the ultimate goal of solving social problems and/or collecting rent. If the situation dictates forbearance of rent payments, we often must make referrals to various agencies to obtain the professional,

financial and technical assistance necessary to solve the problem.

Counseling does and should provide the proper basis for upgrading one's living environment and conditions. Public housing (which has become the "housing of last resort") was originally intended for the "working poor." The fact remains, however, that federally-assisted housing must be the stepping stone to better housing. Low-income tenants want to "belong" and be "respected;" counseling helps them reach this objective and assists in providing an economic mix.

Rent delinquency counseling and counseling in general will help stimulate a "sense of belonging" and an aura of "respect" which will insure social and economic compatibility in federally-assisted housing. This compatibility insures the operational integrity of housing complexes.

The use of rent delinquency counseling has insured HDCIC's overall delinquency rates at less than 5 percent in a 30-day accounting period. Since January 1977, approximately 50 tenants have been counseled based on delinquencies, social problems and prior move-in requirements. Quite often, during a pre-move-in counseling session, the applicant recognizes that he cannot afford the housing once all mathematical computations have been made—proration of move-in rent, the next month's rent, security deposit, moving cost, utility deposits and the anticipated purchase of household goods. This saves operational dollars and psychological stress on the prospective tenant.

Counseling has insured the success of forbearance agreements, and enhances the chances of managing agents to provide a "return on the investments" for owners. Counseling also provides two-way communication which has not always existed. □

*Robert T. Jackson,
Director of Development
and Management,
Housing Development Corporation
& Information Center
Kansas City, Missouri*



Citizen Involvement in Crime Prevention, by George J. Washnis. Lexington, Massachusetts, D.C. Heath and Company, 1976. 137p.

Criminal activity will not be reduced by the sole efforts of the police force. This realization has fostered the formation of various community organizations whose intent is the reduction of crime through active citizen participation. George Washnis in *Citizen Involvement in Crime Prevention*, outlines the spectrum of such programs presently available and functioning in the USA.

Washnis received a Masters degree in Governmental Administration from Fels Institute, Wharton School of Business Administration, University of Pennsylvania. At present, he is doing free-lance work with his own firm, Project Development Center in Washington, D.C. His earlier published works include *Municipal Decentralization and Neighborhood Resources* (1972), a case study of twelve cities, providing samples of types of decentralization and community development strategies (1974), which is considered to be one of the most comprehensive analyses of the Model Cities experience.

Citizen Involvement in Crime Prevention focuses on projects initiated either by citizens or police in which citizens play an active part and exercise responsibility. These organizations have taken such varied forms as: block clubs, mobile and taxi patrols, high-rise security, maintenance employees safety, parent safety leagues, community councils, radio patrols, youth squads and anti-crime crusades.

The author provides a detailed view of the organizational structure, funding sources, rules and regulations, agenda and leadership of these groups. Also, techniques for recruiting, training and promotion of members are outlined. Extensive case studies are cited to provide feasible prototypes for future usage.

The documentation for *Citizen Involvement in Crime Prevention* includes field visits and reviews of 36 projects in 17 cities in New York, California, Alabama, Tennessee, Pennsylvania, Texas, Minnesota, Missouri and Indiana. In addition, a mail and phone survey of community crime prevention projects in the 100 largest cities was conducted. Instruments used to determine whether these programs actually contribute to crime reduction include direct observations of projects, analysis of crime statistics, and assessments by local officials.

Although diversified in structural makeup and methods of operation, the different groups achieve similar objectives. They act as "eyes and ears" for the police department, increase communication and understanding between citizens and law enforcement officials and through citizen cooperation make it more difficult for criminals to operate in a particular area. Methods for achieving this include encouraging citizens to come forth as witnesses, helping police to identify and register house-

hold property, motivating and improving police service productivity, disseminating crime prevention pamphlets and newsletters, and advising residents about home security techniques.

The majority of criminal apprehensions are made as a result of immediate action by citizens and the police. Follow-up investigations are rarely central to apprehension. Through the crime prevention organization with which residents are affiliated, they are able to exert a positive leverage in attaining a secure neighborhood. Washnis' book provides the necessary overview of available alternatives that police and residents may employ in their effort for increased resident participation in reducing crime.

—Leslie S. Hand
Program Assistant

HUD Office of Housing Programs

Good Neighborhood: The Challenge of Open Housing, by Morris Milgram. W.W. Norton and Co., New York, N.Y.

"The time has long passed," writes Morris Milgram, "when we need to justify open housing in moral terms. . . there is simply no one who profits from segregation; we are all losers." Milgram, a pioneer of integrated housing, examines his own and other developers' experiences in combating the trend toward affluent white suburbs and decaying inner cities.

Milgram explains how to form an integrated community and, more important, how to stabilize it to prevent resegregation. He disproves the old myth that property values decline with integration, and discusses the financial aspects of promoting such housing. Zoning laws, often the biggest obstacle to a builder, can now be fought in the courts. The law is slowly affirming the right to open housing. Milgram also shows how affirmative marketing techniques can combat the prejudices of potential home buyers and real estate personnel. The growing use of black and white testers, working in pairs, is breaking up discriminatory patterns. Both blacks and whites find that integrated communities offer a superior way of life with wide-range benefits—defusing fear and suspicion by living as neighbors, and avoiding troubled schools and busing problems.

A final chapter examines "new towns" and "new towns-in-towns." The latter concept may well prove successful in rehabilitating inner cities and creating stable neighborhoods in their midst. An appendix, offering recommendations for implementing many of these ideas, is also included.

Morris Milgram opened his first integrated housing community in 1954. He is now living in Philadelphia and is president of Fund for an Open Society, a nonprofit mortgage company.

Successful Counseling in Colorado

by Anne Troutman

In 1969, under the new Section 235 Housing Program, families with annual incomes of between \$4,000 to \$9,000 were able to purchase homes costing between \$15,000 to \$19,000 with a \$200 downpayment, and at an interest rate ranging from one percent to market rate depending on their income. Generally, these low- to moderate-income families knew very little about the responsibilities involved in becoming homeowners. In order to assure the success of the program, HUD had to find a way to keep the new purchasers as permanent homeowners.

The solution was found in Colorado where HUD found qualified housing counselors who, at no cost to the new homeowners, made available expert advice on how to cope with the many homeownership responsibilities.

Denver, Colorado, was one of the first cities in the Nation to have a HUD-approved counseling agency. It began operation in October 1969.

Presently, HUD-approved, non-profit counseling agencies in the State are operating under a housing counseling coalition.

Structure of Coalition

The Colorado Housing Counseling Coalition, Inc. is comprised of 16 agencies located in Denver, Trinidad,

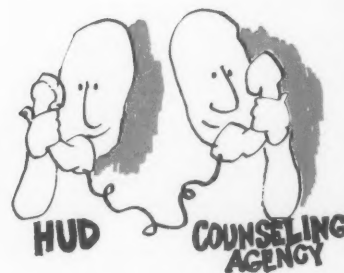
Longmont, Walsenburg, Colorado Springs, Pueblo, Grand Junction, Greeley, Durango, Fort Collins, Commerce City, and Boulder. In spite of a minimum amount of publicity, the Coalition has provided, and continues to provide, a multitude of housing-oriented counseling services to a great number of Colorado low- and moderate-income persons. The basic types of services rendered include: (1) Helping persons to locate emergency shelter and jobs; (2) helping qualified persons obtain food stamps; (3) settling landlord-tenant disputes; (4) explaining what home renters and existing and potential homeowners should know in order to meet their housing responsibilities.

Funding

The existence and operation of the agencies of the Coalition are made possible with funding from various sources. Some are funded by cities receiving HUD Community Development Block Grant funds. Other sources of funding are the Community Services Administration, the Catholic Archdiocese of Denver and charitable organizations.

Case Profile

A typical case history of a family (herein designated "M") helped by a



counseling agency in the Coalition is exemplified by the "M" family of Colorado Springs with six children ranging in age from six to 16 years. The Colorado Springs Catholic Community Services, which was approved by HUD in December 1969, assisted the family.

The "M" family's financial status in September 1971 was one of extreme indebtedness, including a 2-month delinquency on their HUD-insured, Section 235 home. Their indebtedness totaled \$5,521 which, in addition to their arrears in mortgage payments, included debts to seven lending institutions, seven doctors and an appliance repair shop. At that time Mr. "M" was earning \$372 a month as an employee of an equipment manufacturing company.

The agency arranged a payment plan for the family with their creditors, based on their maximum ability to pay. The immediate concern was catching up on their mortgage payments. Some of the finance companies accepted only interest payments during the first year.

The couple committed themselves to the counselor's strict budget in spite of the severe difficulties it presented for adequate feeding and clothing of their large family. The counselor eventually helped the older

children obtain summer jobs which assisted the family in paying monthly utility bills and purchasing food stamps.

By May 1977, the family was completely out of debt, meeting its mortgage payments, and had established a savings account to meet maintenance and emergency repairs on its home. Mr. "M" 's current income as a janitor is approximately \$500 a month, and he is happy in his job.

A friend of the family recently praised the family's two eldest sons as being extremely "money conscious." He observed that they had probably learned this from their parents who vow "they will never get behind in their indebtedness again."

Success Cited

According to J. Harris LaRue, past President of the Coalition, 74 families were counseled under HUD's \$100 fee funding counseling program for Section 235 homes which was available from 1973 through 1975. During this period, 419 families were counseled under HUD's Section 235/237 program, while 10,041 families were counseled in other phases of the Coalition's program services. This included certifying families for HUD's rent supplement program, budget

counseling, job referrals, tenant-landlord disputes, homeowner and rental counseling, foreclosure, and eviction assistance as well as obtaining assistance from legal service offices, welfare, food stamp, and child care facilities.

LaRue noted that housing counselors must establish good working relationships in the communities with finance, mortgage and lending agencies in an effort to forestall foreclosures and evictions. The membership of the Coalition has not only addressed itself to the day-to-day counseling concerns, but has scheduled semi-annual meetings with representatives of the mortgage and banking industry, real estate and apartment managers, and with HUD at the regional and national levels.

By continually sharing information through regularly scheduled meetings, the Colorado Housing Counseling Coalition has proven itself to be a viable force within the State. Many of the citizens and business persons throughout Colorado have sought the services of housing counselors and have expressed their appreciation for the knowledge, assistance, and expertise they have received from these dedicated people. □

Ms. Troutman is a housing counselor in the Denver Insuring Office.



Purchasers of HUD-Owned Properties Get Tax Break

by Ed Bush

Cook County Assessor Thomas M. Tully and John L. Waner, recently retired Director of the HUD Chicago Area Office, recently announced a new program to assist buyers of HUD owned homes.

The new program will also serve as an incentive to return these HUD owned properties to the tight housing inventory in Chicago and Cook County.

Under the HUD-Cook County agreement, single-family homes and apartment buildings of six units or less will be assessed at the price paid to HUD until the building has been rehabilitated and occupied. That assessment will then be frozen for 4 more years under provisions of the new Illinois Home Improvement Exemption law, which provides for improvements up to \$15,000 made to existing homes.

Thus a home purchased by a private individual from HUD in 1977 would have its current assessment based on the sale price of the property plus the current land assessment. Assuming rehabilitation is completed in 1978, the property would be reassessed by assessor Tully's staff. New assessment would be held in abeyance until 1982 when it would become effective for the tax payable in 1983.

The homes would be assessed at 16 percent of their fair market value as provided for under the Cook County Real Property Classification law.

In the case of multifamily properties sold by HUD, assessments would be based on 33 percent of the sale price. During the period of rehabilitation and rent-up the assessment will remain based upon the sale price. As

he does with conventional multifamily properties, the assessor will analyze the annual occupancy of these properties and the assessment will be adjusted upward on the basis of income and expense accruing to the property.

The experience of the assessor's office indicates a 2-year rehab and rent-up period during which lowered assessments can be maintained. After rent-up is completed a full assessment will be rendered, Tully said.

"Our original conception of the Home Improvement Exemption plan was to stimulate and provide an incentive for homeowners to upgrade and maintain their homes throughout our community. This is but one example of how citizens in Cook County can take advantage of our new law, the first of its kind in the United States," Tully said.

The New Illinois Home Improvement Exemption law was adopted by the Illinois Legislature and signed into law last year at the urging of assessor Tully after he had proposed it in his campaign in 1974. Tully lobbied extensively for the passage of the law in Springfield.

"Programs such as this one, on a nationwide scale, would do much to assist both the local communities with housing problems and the Federal Government in reducing its inventory," Waner said.

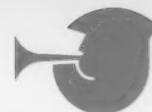
Both Waner and Tully said they feel this will be an additional incentive to purchase and rehabilitate these houses, increasing Cook County's housing stock and reversing the decline of neighborhoods where vacant houses are causing problems.

According to Waner, the Chicago Area Office currently has 2,800 single-family properties and 7 multifamily projects with 460 units in the city and 300 homes and 3 multifamily projects with 306 units in suburban Chicago which could benefit from the newly adopted assessing procedures.

Mr. Bush is the Public Information Specialist in HUD's Chicago Area Office.



TOP—4634 W. Huron St., Chicago
MIDDLE—Springfield & Fillmore Avenues, Chicago
BOTTOM—8941 S. Marshfield Ave., Chicago



"I think between the downtown ghetto areas on crime control, housing development, and so forth, the funds have quite often been channeled off into the suburbs because of more highly educated and organized people, more able to speak loudly and who understand the complexities of Federal programs. We're trying to change that and focus the attention of the Government... on the downtown, urban, deteriorating neighborhoods.

"Another thing that we're trying to do is to concentrate on the rehabilitation of homes. I've seen this happen in Baltimore. I've seen it happen in Savannah, Georgia, and other places around the country, where with a small effort on the part of a chamber of commerce or the local officials, the banks—working with the Federal Government—instead of seeing a neighborhood deteriorate, demonstrate that existing structures can be rebuilt or renovated to make very attractive homes near the core area for executive and professional work without abandoning the central cities and moving out into the suburbs. We're trying to do that, too, with our general HUD programs."

—President Jimmy Carter,
at a question and answer session with
a group of editors and news directors,
July 29, 1977

"There is no more important task before this Administration than the task of revitalizing our cities. We are moving carefully as with our new dual formula community development block grant that is designed to provide new money to the cities that need it. We are moving with dispatch, as demonstrated by our early legislative initiatives, to put the program into place. We are moving firmly, as our denial of funds to cities that do not provide assisted housing demonstrates. We are moving together as a government to achieve coordination and coherence, as demonstrated by the establishment by the President of the Cabinet level Urban and Regional Policy Group.

"We are providing funds, concern, intelligence, and perhaps, more importantly, a love for the cities. We at HUD, and indeed, we of this Administration, see our cities and the people of the cities, all of them, as a great national resource. It will not be easy to protect and revitalize that resource, but we knew it would not be.

"But HUD accepts its responsibility to be the advocate of the cities and the poor, and we expect our advocacy to prevail in this Administration and in this Nation."

—Patricia Roberts Harris, HUD Secretary,
National Urban League Annual Conference,
Washington, D.C., July 25, 1977

"Housing conditions vary by local markets, but we have considerable evidence to show that the private sector market, without earmarked federal housing supply subsidies, will not build units for the poor, the elderly, the handicapped or large families."

—Patricia Roberts Harris, HUD Secretary,
speaking before the Senate Banking Committee,
September 8, 1977

"There is not a community in this land that does not have a least one abandoned and boarded house that can be rehabilitated to become a home for an American family.

"There is no local government that will not welcome the help of Realtors and Realtor-Associates in solving some of the problems of decaying neighborhoods. The time is now. We must begin at once."

—Harry G. Elmstrom, President,
National Association of Realtors,
speaking to Realtor State Association members,
Boston, Mass., August 22, 1977

"Since 1970 I have watched the Housing Counseling Program grow in stature and effectiveness. This happened because those who believed in the program persevered despite minimal funding and often little encouragement. In the HUD Central Office we are reminded of the major contribution to this program by the housing counselors who, on a daily basis, prove themselves effective on the 'firing line.' We salute the HUD-approved counseling agencies and their staffs."



—O. Thomas Miles,
Chief, Housing Counseling Branch,
HUD Headquarters

Housing Counseling in Tampa

by Robert Lysko

The red brick streets of Ybor City, Tampa's Latin Quarter, have been the setting for many important events in Spanish-American history. It was here that Teddy Roosevelt trained his Rough Riders, José Martí visited and spoke here, and mutual aid societies were given their birth here. A casual walk down Seventh Avenue reveals that the proud Spanish tradition is still strong. The architecture, restaurants, and markets have a flavor that is undeniably Spanish. The residents greet, converse, and carry on business in the Spanish language. In fact, Spanish is spoken so predominately in Ybor City that it is more of a relief than humorous to see a sign in a restaurant window proclaiming "English Spoken Here."

Ybor City is considered a section of Tampa, but the residents who have their roots here still speak of the days when Tampa was a fledgling community and Ybor City was the center of activity for the Tampa Bay Area. Animated discussions take place under the Florida sun with expressions of concern for the growth and preservation of their town. A local commission has been appointed to preserve the Latin tradition through regulation of construction, and the Chamber of Commerce presents festivals and art exhibits which celebrate the Spanish heritage. However, the problem which is currently rather common to all areas in the United States—that of finding the means and finances to maintain a decent residence—is being attacked by the City of Tampa's Housing Opportunity Center.

Across the street from the Ybor City Chamber of Commerce in a building decorated with ornamental S-scroll and double-pronged ironwork typical of the local turn-of-the-



century architecture, the Housing Opportunity Center carries on the daily business of counseling residents with housing needs and difficulties. Although the H.O.C. is situated in Ybor City its services are available, free-of-charge, to everyone in the City of Tampa.

Counseling Services Initiated

The H.O.C., now a HUD-approved counseling agency, began as a Model Cities Program in 1970, functioning mainly as a one-man housing referral agency. As the need for increased counseling became apparent, various services were initiated. These include many HUD/FHA programs as well as services to complement the City of Tampa's Code Enforcement and Rehabilitation Programs.

The Center was the first agency in Hillsborough County, Florida, to administer FHA Section 237 Counseling, a program designed to assist those applicants who cannot qualify for an FHA-insured mortgage loan due to unacceptable credit. Of the 335 families referred to the H.O.C. for credit counseling, 228 were recommended and approved. To date, only five foreclosures have taken place. In 1972, the H.O.C. was awarded a Delinquent/Default contract. This program, known as the Mortgagor Assistance Project, has thus far saved the Federal Government an estimated



\$906,000 based on the 236 households that were successfully counseled and spared foreclosure. This success rate is attributed to instructive counseling that encourages preventive approaches to home maintenance and careful personal budgeting. If necessary, the Center is prepared to institute forbearance, rein-



4



1. Movie houses and casinos reflect strong Spanish heritage.
2. Children enjoy casual walk down Seventh Avenue.
3. Festival atmosphere attracts tourists to local celebration.
4. Colorful float exhibits Spanish influence.
5. Music reflects the rich cultural heritage of Ybor City.

5



statement, recasting or deed-in-lieu as tools for preventing foreclosure. Although the Center provides Delinquent and Default Counseling to any homeowner in Tampa, it also services the City's Community Development low interest mortgages.

Emergency Assistance

The Emergency Housing Assistance and Temporary Housing Programs are geared to assist homeowners and tenants in the City's Community Development Housing Restoration Area. These programs provide financial assistance to the low-income families who must be relocated due to rehabilitation or condemnation of their

homes. It has been the City of Tampa's experience that these programs greatly facilitate code enforcement and rehabilitation of the Community Development Area. Without these financial assistance programs, many families would have great difficulty meeting the expenses of moving and create a major stumbling block for the Community Development Program.

Available Housing Office

The Available Housing Office is another extremely active component of the H.O.C. It is through this office that the Center monitors housing rentals and sales in Tampa—concentrating on housing for the low- to moderate-income household. The Center maintains records of vacancies in the FHA-subsidized and Tampa Housing Authority apartment complexes as well as being the office that verifies residents' qualifications for FHA 221 Rental or Purchase Certificates in the Tampa/Hillsborough County area. In addition to government housing the H.O.C. maintains listings of the private rental and sales market throughout the city. This information is gathered by making use of public service announcements on local television, canvassing various neighborhoods, and maintaining an excellent rapport with numerous realtors and landlords in the area.

From its humble beginning, the Housing Opportunity Center has developed into a multifaceted housing information, referral, and counseling service. As a frontline organization, the staff is closely in touch with housing needs in Tampa. The objective of assisting Tampa's residents in obtaining and maintaining safe, decent housing tests the staff's knowledge and flexibility daily.

Each day the Housing Opportunity Center of Tampa, Florida, responds with skilled counseling and special care in helping the citizens find a better way and place to live.

Mr. Lysko is a Housing Resources Representative, Housing Opportunity Center, City of Tampa.

CCC: An Expanding Consumer Service in L.A.

by Stan Benton

In 1958 a number of credit industry representatives in Phoenix addressed the subject of consumer debt, specifically the reasons why people get into debt, and what might be done to reduce the number of personal bankruptcies filed each year. As they talked with each other about the major causes of personal indebtedness (divorce, unemployment, medical setbacks, easy credit, inflation and mismanagement), they decided that it all really boiled down to just two things—misfortune or mismanagement.

But how does someone anticipate a medical setback or the loss of one's job? One of the creditors suggested that although the unplanned medical setback or loss of one's job could indeed be labeled misfortune, it could just as easily be argued that the resulting indebtedness might have been avoided had the person involved not been equally guilty of mismanagement for not being covered by a health insurance plan and not having an adequate savings account to cover a number of months' expenses while job hunting. The creditors' position was that if one managed his income properly, he would, for the most part, avoid many of the financial problems commonly attributed to misfortune.

The creditors were not satisfied with just defining the problems; they decided to do something about them like establishing counseling services for people in debt. This service could teach the basics of money management. The counseling service could also participate in preventive consumer education programs in the schools and other community forums.

The creditors spearheaded the establishment of the first nonprofit agency devoted entirely to family debt counseling and related programs of debt prevention. Leading members of the community-at-large representing business, government, labor, social service organizations, the clergy, media and other interests were appointed to the agency's board. The board decided on the name, Family Debt Counselors.

Services Proliferate

Today, there are over 200 nonprofit debt counseling services in the United States and Canada teaching proper money management, arranging debt repayment plans with creditors, and participating in a variety of consumer education programs. Some have continued to use the name Family Debt Counselors or a variation such as Family Financial Counseling, but most of the services are known as Consumer Credit Counseling Service or Consumer Credit Counselors. All are members of the National Foundation for Consumer Credit located in Washington, D.C. This nonprofit organization is dedicated to educating, counseling, and promoting the intelligent use of credit. Each member service must adhere to the code of ethics, policies and guidelines established by their Council of Consumer Credit Counseling Services.

HUD-Approved Agencies

Among the HUD-approved counseling agencies chosen to provide these services were Consumer Credit Counseling Services, the most recent of these being Consumer Credit Counselors (CCC) of Los Angeles. To supplement the agency's 10-year experience in providing debt counseling to those in need, HUD's Los Angeles Area Office staff organized a number of training sessions for the counselors and managerial staff of CCC.

Little can be accomplished in the counseling session if mortgage delinquency and default are addressed as only *one* part of the debtor's *total* financial difficulties. In other words, a homeowner who has trouble meet-

ing payments on his home is delinquent in his payments on his other financial obligations as well. Pressure from persistent creditors may well result in their being paid at the expense of the mortgagee. CCC has been successful in preventing this occurrence because the agency is endorsed by and receives the financial support of the credit industry. For example, when a mortgagor finds himself delinquent on his house payment, and Consumer Credit Counselors has been asked to counsel him, the mortgagor's total financial situation is analyzed. A reasonable budget is established with the assistance of CCC's counselor, with all expenses carefully examined to make sure the client is making the most effective use of his income. If he is overextended in his use of credit, Consumer Credit Counselors insists that he surrender all of his credit cards. The cards are cut in half and returned to his creditors, who are delighted to see their debtor free of the "buy-now-pay-later" syndrome.

After the budget has been established, there is seldom enough money left over for the mortgagor to make his house payment and full payment to each of his other creditors as well. Because of CCC's liaison with the credit industry, the agency is often able to persuade unsecured creditors to wait for their payments while the counselee is making his house payment current. Once this is accomplished, an acceptable repayment plan can be established with other creditors. The plan usually involves smaller payments over an extended period of time. If it is the debtor's desire, Consumer Credit Counselors will even assume the monthly obligation of disbursing his payments to his creditors, preparing those monthly checks and progress reports by computer.

Expanded Role Seen

Celia Gomez, Housing Counseling Director for Consumer Credit Counselors of Los Angeles, has indicated that the agency will be assuming a much greater role in the area of housing counseling now that CCC is a



Instructors Lynn Green and Celia Gomez conduct CCC money management course.

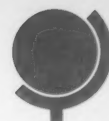
HUD-approved housing counseling agency. Prospective home buyers can attend classes or receive private counseling covering homeownership and renting; securing a mortgage loan; what to look for before purchasing property; programs available to the prospective purchaser for home loan financing; how to write "the offer to purchase"; what escrow is all about; closing costs; filing a homeowner's exemption; shopping for hazard insurance; the mortgagor's responsibilities to the lender, and so on. Information about landlord/tenant rights and responsibilities will also be provided to those clients of CCC who rent.

In the area of developing housing counseling referrals, CCC of L.A. requested participation in HUD's

Assigned Mortgage Program, and in his memo of approval of that request, Paul R. Kaup, Director of HUD's L.A. Area Office Housing Management Division stated, "Consumer Credit Counselors of Los Angeles (CCC) has requested to participate in the HUD Assignment Program by making its professional staff and computerized accounting systems available to assure close follow-up on a mortgagor's repayment progress. The CCC computer system is programmed to assure HUD, as a priority creditor, that as monies from other cleared debts are available they are immediately applied toward curing the loan. Assistance can also be provided to those mortgagors subsequently rejected for assignment." The

agency's President and Housing Counseling Director are also embarked on a campaign to meet with the representatives of the loan servicing departments of the savings and loans and home mortgage bankers concerning referral of both their FHA and conventional loan delinquencies and defaults, recognizing the importance of early referral to assure success in counseling. After all, HUD, CCC, and the mortgagees are all interested in cooperating to help mortgagors who—for one reason or another—find themselves in trouble with their house payments and other financial obligations. □

Mr. Benton is President of Consumer Credit Counseling of Los Angeles.



International affairs

U.N. Desertification Conference

The United Nations Conference on Desertification, held in Nairobi, Kenya, August 29-September 9, 1977, was one of a series of U.N.-sponsored meetings addressing critical resource-oriented problems. Conferences on the Environment (Stockholm 1972), Food (Rome 1974), Population (Bucharest 1974), Human Settlements (Vancouver 1976) and Water (Mar del Plata 1977) have already taken place. In the spring of 1979, a conference on Science and Technology for Development will be convened.

The Desertification Conference was decided upon in 1974, after the great African drought of 1968-73 exposed more than 25 million people to starvation, malnutrition, and disease in the sub-Sahara area known as the Sahel. Lake Chad shrank to one-third its normal size, major rivers were reduced to trickles, and all but the deepest wells ran dry. Desert encroachment and the deterioration of semi-arid lands are not unique to Africa, however. The process affects one-ninth of the Earth's surface and 60 million people. During the past decade, desertification and/or drought have touched large areas of Brazil, Chile, Afghanistan, Pakistan, Bangladesh, Somalia, Egypt, Ethiopia, Europe, China, Korea, and the United States.

While desertification results from a combination of natural and human events, there is evidence that man's exploitation of the environment, rather than climatic causes, is chiefly responsible for the increasing loss of arable land. Poor agricultural practices and overgrazing of range land endanger the fragile ecosystems that border the deserts. When trees and ground cover disappear, there is nothing to halt the invasion of sand. The expansion of urban centers also contributes to desertification. When once-fertile farmland is covered over with buildings and asphalt, rainwater drains into storm sewers and not into

the soil. Moreover, the heat, fluorocarbons, and carbon dioxide of the city have all been shown to create adverse weather conditions in the upper atmosphere.

The agenda of the Nairobi conference included recommendations for national, regional, and international action to combat desertification. Issues to be addressed were divided into the broad areas of land management, corrective measures, population and the human condition, insurance against drought, and strengthening of indigenous science and technology. The interconnection between human settlements and desertification was included in the category of population and the human condition.

Suggestions for reducing desertification included more extensive climate monitoring by satellite, green belts of trees planted along the northern and southern borders of the Sahara, and subsidies for nomads willing to reduce their livestock herds. Recommendations pertaining particularly to human settlements included consideration of climate in settlement design and land use planning; maximum use of solar and wind energy and recycling of solid waste and sewage; and mass education programs aimed at harmonizing socio-cultural traditions with appropriate human settlement design and maximizing citizen participation.

The U.S. delegation to the Conference was headed by James Joseph, Under Secretary of Interior, and included other governmental representatives and members of the private sector. The Secretary General of the Conference, Dr. Mostafa Tolba, is also Executive Director of the United Nations Environmental Program.

Office of International Affairs



lines & numbers



Selected Housing Costs Trends from 1973 through June 1977

Escalating housing costs are a matter of great concern to the Department of Housing and Urban Development as evidenced by the establishment of a Task Force on Housing Costs earlier this year which issued an interim report in July. From 1973 to June 30, 1977 the average sales price of new one-family homes rose by 51 percent. The prices of existing homes have increased at exactly the same rate since 1973 but the prices are of a different magnitude. New homes, as of June 1977, averaged \$49,000 while existing homes averaged \$43,400.

The index of wage rates for building trades workers rose 32 percent from July 1, 1973 to July 1, 1977. Among the major trades the increases over the period ranged from 26 percent for bricklayers to 34 percent for building laborers. The wholesale prices of construction materials rose 46 percent from 1973 to June 30, 1977. The greatest increases were in asphalt roofing, 82 percent, insulation materials at 73 percent and portland cement at 66 percent. FHA data on the site value of new homes insured by HUD-FHA under Sec. 203, indicate a 37 percent increase in the price of land from 1973 to the second quarter of 1977.

—Prepared by Robert Ryan

Median Sales Price of New and Existing One-Family Homes and Lot Value of New Homes

Year	Median for New Homes	Median for Existing Homes	Average Site Value- New Homes
1973	\$32,500	\$28,900	\$5,341
1974	35,900	32,000	5,482
1975	39,300	35,300	6,382
1976	44,200	38,100	6,954
June 1977	49,000	43,400	7,305
Percent Increase 1973 to 6/77	50.7%	50.1%	36.7%*

Wholesale Price Indexes for Selected Construction Materials: June 1977 and 1973 (1967=100)

Group or Commodity	June 1977	June 1973	Percent increase 1973 to 6/77
All construction materials	202.5	138.5	46.2%
Lumber	264.6	205.2	28.9
Prepared paint	174.2	122.2	42.5
Plumbing fixtures and brass fittings	186.1	125.8	47.9
Portland cement	227.8	137.2	66.0
Asphalt roofing	246.2	135.5	81.9
Insulation materials	236.4	137.4	72.6

Wage Rates for Unionized Building Trades Workers, Index for all Trades and Hourly Rates for Selected Trades: July 1, 1973 - July 1, 1977

Year	Index-All Trades 1967=100	Average Hourly Rates				Building laborers
		Bricklayers	Carpenters	Electricians	Painters	
1973	160.8	\$ 8.30	\$ 7.84	\$ 8.37	\$7.48	\$5.92
1974	173.4	8.86	8.39	8.83	7.99	6.45
1975	188.3	9.35	9.24	9.73	8.63	6.99
1976	200.5	9.91	9.84	10.33	9.24	7.48
1977	211.5	10.45	10.22	11.13	9.87	7.94
Percent Increase 1973-1977	31.5%	25.9%	30.3%	32.9%	31.9%	34.1%

Sources: Bureau of the Census, Bureau of Labor Statistics and HUD Statistical Yearbook. *1973-Second Quarter 1977

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